

401.2 SUBJECT: FUNDING FOR LOCAL IMPROVEMENTS**:1 OBJECTIVE:**

To establish a procedure to define and administer the Home Rule Special Assessment Ordinance to fund local improvements or Local Services.

:2 AUTHORITY:

This procedure amended by City Council December 13, 2004, Item A8.

:3 DIRECTION:

The Chief Financial Officer receives direction from the Assessment Committee operating within the Committee's delegated authority.

:4 METHOD OF OPERATION:**A. Definitions**

1. The following words and/or phrases shall have the meaning as stated in the Home Rule Special Assessment Ordinance (the "Ordinance") and used in this procedure:
 - a) Assessment - A special assessment imposed by the City pursuant to the Ordinance to fund the Capital Cost and related expenses of Local Improvements or the Operating Cost of Local Services.
 - b) Assessment Area - Any of the municipal special benefit areas created by resolution of the City Council pursuant to Section 52.05 of the Ordinance, that specially benefit from a Local Improvement or Local Service.
 - c) Assessment Committee - The committee of five (5) members appointed by City Council to oversee the assessment programs for Local Improvements or Local Services.
 - d) Assessment Coordinator - The Chief Financial Officer or his/her designee.
 - e) Assessment Roll - The special assessment roll relating to Local Improvements or Local Services, approved by a Final Assessment Resolution or an Annual Assessment Resolution pursuant to Section 52.12 or Section 52.13 of the Ordinance.
 - f) Assessment Unit - The apportionment unit utilized to determine the Assessment for each parcel of property as set forth in the Initial Assessment Resolution. "Assessment Units" may include, by way of example and not limitation, one or a combination of the following: front footage, land area, improvement area, equivalent residential connections, permitted land use, trip generation rates, rights to future trip generation capacity under applicable concurrency management regulations, property value or any other physical characteristic or reasonably expected use of the property that is related to the Local Improvement or Local Service to be funded from proceeds of the Assessment.
 - g) Capital Cost - All or any portion of the expenses that are properly attributable to the land acquisition for and the design, construction

(including reasonable contingencies for construction cost increases and change orders), installation, reconstruction, acquisition, and renewal or replacement (including but not limited to, demolition, environmental mitigation and relocation) of Local Improvements under generally accepted accounting principles; and that are, under such principles, properly chargeable to the capital account of such Local Improvement; any amounts necessary to reimburse the City for funds advanced for Capital Cost and for interest on any interfund or intrafund loan(s) made for such purposes; and all or any portion of the costs related to the Obligations, the issuance, but not limited to, capitalized interest, cost of funding a reserve account, attorneys fees, remarketing fees, credit or liquidity facility fees, municipal bond insurance costs, and any charge by the Orange County Tax Collector or Orange County Property Appraiser.

- h) City - The City of Orlando, Florida.
- i) Council - The City Council of the City of Orlando, Florida.
- j) Initial Assessment Resolution - The resolution described in Section 52.08 of the Ordinance.
- k) Final Assessment Resolution - The resolution described in Section 52.12 of the Ordinance.
- l) Local Improvement - A capital improvement constructed or installed by the City for the special benefit of a neighborhood or other local area within the City.
- m) Local Service - A service provided by the City for the special benefit of a neighborhood or other local area within the City.
- n) Obligations - Bonds or other evidence of indebtedness, including but not limited to notes, commercial paper, capital leases, interfund or intrafund, or any other obligations issued or incurred to finance any portion of the Capital Cost of Local Improvements and secured, in whole or in part, by proceeds of the Assessments.
- o) Operating Cost - All or any portion of the expenses (other than Capital Costs) that are properly attributable to Local Services under generally accepted accounting principles, including, without limiting the generality of the foregoing, reimbursement to the City for any funds advanced for Local Services, and interest on any interfund or intrafund loan for such purpose and all or any portion of the costs related to the Obligations, the issuance thereof, and to the collection of the Assessment, including, but not limited to, capitalized interest, cost of funding a reserve account, attorneys fees, remarketing fees, credit or liquidity facility fees, municipal bond insurance costs, and any charge by the Orange County Tax Collector or Orange County Property Appraiser.
- p) Ordinance - The City's Home Rule Special Assessment Ordinance bearing Documentary No. 29102, enacted by City Council on January 22, 1996.
- q) Petition - A written correspondence to the City describing the desired local improvement and a general description of the proposed assessment area.

B. Assessment Committee

1. The Assessment Committee shall be composed of the following City officials or such persons' designees:
 - a) Chief Financial Officer, Chairman
 - b) Director of Economic Development
 - c) Director of Management, Budget & Accounting
 - d) Director of Public Works
 - e) Planning Division Manager
 2. The powers and duties of the Assessment Committee shall include approval of detailed operating procedures and management oversight of the program.
- C. Procedure for Establishing Assessment
1. The Council, at its own discretion, may initiate the process for establishing an Assessment Area by directing the Chief Financial Officer to determine if the proposed Local Improvement or Local Service specifically benefits any properties within the City Limits and how the cost of such Local Improvement or Local Service can be fairly and reasonably apportioned among the specifically benefited properties proportionate to the benefit received by each. The Chief Financial Officer will present the Assessment Committee with such determinations. The Assessment Committee shall review such determinations and, based on such review, either end the process or direct staff to proceed in accordance with the Ordinance and Section 197.3632, Florida Statutes, in levying the Assessment.
 2. The board of directors for a homeowner's association or other representative group may initiate the process for establishing an Assessment Area by delivering a letter to the Chief Financial Officer expressing its interest in establishing an Assessment Area.
 - a) A map identifying the boundaries of the proposed Assessment Area and preliminary Petition expressing support of at least 15% of the property owners within the Assessment Area should be enclosed with the letter of interest.
 - b) Upon receipt of the letter of interest, the Assessment Committee shall review the proposed Assessment Area to make a determination if there is a reasonable likelihood of establishing an economically viable Assessment Area. If such a determination is made, the Committee shall prepare a report on the area to include the following:
 - (1) the boundaries or description sufficient to define the property, together with recommendations as to any area which should be excluded and/or recommendations as to any additional area for inclusion within the proposed area;
 - (2) general locations of any Local Improvements to be constructed or installed for the Assessment Area;
 - (3) an estimate of the Capital Cost relating to any Local Improvements for the Assessment Area;

- (4) an estimate of the Operating Cost relating to any Local Service to be provided;
 - (5) an estimate of both the total and annual assessment and proposed number of fiscal years the Assessment will be imposed;
 - (6) a determination as to whether or not all parcels of property in the Assessment Area will be specially benefited by the Local Improvement or Local Service; and
 - (7) a description of the proposed method of apportioning the capital cost or operating cost among the parcels of property in the Assessment Area, and the Assessment Unit to be used in computing the Assessment.
3. Any proposed Petition to be circulated for signature must be developed by the Public Works Department and approved by the Assessment Committee and shall include at least the following:
 - (1) a map of the boundaries as set forth in the Committee report;
 - (2) a request to establish an Assessment Area for the purpose of providing Local Improvements or Local Services;
 - (3) a brief description of the Local Improvements or Services
 - (4) preliminary cost estimate;
 - (5) a summary of the proposed method of apportioning the Capital Cost or Operating Cost among the parcels of property in the Assessment Area;
 - (6) a preliminary estimate of the annual Assessment;
 - (7) a description of the provisions for prepayment of the Assessment;
 - (8) a statement that failure to pay the Assessment will cause a tax certificate to be issued against the property and thereafter may lead to foreclosure sale and loss of property; and
 - (9) such other information deemed necessary by the Assessment Committee.
4. The Chief Financial Officer shall provide a copy of the Assessment Committee report and petition document to the initiating party. The Assessment Committee, in consultation with the initiating parties, where appropriate, will determine which of the following petition methods will be used:
 - (1) Mail ballot (possibly include information packets);
 - (2) Door to door petition format; and/or
 - (3) Information packets (if mailed separately).
5. Additionally, the Assessment Committee will establish a time and place for a neighborhood staff workshop to be held, to explain the process and the proposed assessment methodology, prior to the petition being initiated.
6. The petition must be signed by the property owners within the Assessment Area and must represent more than 50% of the Assessment Units have

demonstrated support for the proposed project. The Chief Financial Officer will verify whether or not more than 50% of the Assessment Units in the area are represented on the petition. As soon as practicable after verifications, the petition will be submitted to the Assessment Committee.

- (1) Ballots for City-owned property must be voted by City Council at the Council meeting prior to the ballot opening of those ballots which were mailed to property owners, but after closing date for ballots to be received.
 - (2) The vote of the City Council for its property will be incorporated with remaining ballots at the ballot opening by the City Clerk's Office.
7. After receiving the verified petition, the Assessment Committee will:
 - (1) Develop 60% plans for the Local Improvement to enhance the estimate of actual construction cost;
 - (2) Develop a resolution of intent to use uniform method of collection as provided for in Section 197.3632, Florida Statutes;
 - (3) Propose a time and place for the public hearing on the Final Assessment Resolution; and
 - (4) Establish the maximum total and annual Assessment by parcel to be set forth in the Initial Assessment Resolution.
8. At the time of the hearing on the Initial Assessment Resolution, the Council will:
 - (1) Establish a time and place for the public hearing related to the Final Assessment Resolution;
 - (2) Authorize the legal notices (both in the newspaper and by first-class mail);
 - (3) Approve the form of the Initial Assessment Resolution and authorize it to be forwarded with the notice to the affected property owners; and
 - (4) Authorize the staff to proceed with the appropriate steps and actions necessary to complete the process.
9. At the time set forth for the public hearing, evidence of the following will be presented before the Council:
 - (1) A description of the Local Improvement or Local Service;
 - (2) A review of the factors used in determining the specially benefiting properties which make up the Assessment Area;
 - (3) A description of the Assessment Units used and an explanation of the appropriateness thereof;
 - (4) A review of the petition results;
 - (5) An estimate of the project cost and the maximum Assessment, both in total and per year by parcel; and

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- (6) If the Assessment is subject to annual modification, the method proposed therefore.
- b) If and after the Final Assessment Resolution and Non-ad Valorem Assessment Roll have been adopted by Council, the Assessment Committee will:
 - (1) Provide appropriate notice to the Property Appraiser and Tax Collector;
 - (2) Enter into agreements with the Property Appraiser and Tax Collector, as provided for in Section 197.3632, Florida Statutes;
 - (3) Initiate final plan development for Local Improvements and the competitive selection of a contractor therefore;
 - (4) Once a contractor has been chosen and the estimates adjusted therefore, the Assessment Committee may initiate a 30-day option period whereby an affected property owner can elect to pay their appropriate share and avoid a lien on the property (note: the 30-day elective option period may need to occur prior to having final plans and a contractor on board to comply will statutory time tables); and
 - (5) Propose the preliminary Assessment Roll by or before the deadline therefore.
- D. Annually, the Council will review and approve the related Assessment Roll in a manner to insure that the Assessment is on the tax bill. The Assessment Roll will be structured so that 95% of the Assessments will be sufficient to provide for the annual obligation associated therewith.
- a) The Chief Financial Officer will be the primary contact with the Property Appraiser and Tax Collector and will act as the City's agent regarding the following:
 - (1) To determine the payoff on any assessed property which would be necessary to clear the lien;
 - (2) To acknowledge receipt of the appropriate payoff amount and thereby relieve the affected assessed property of any future burden associated with the specific special assessment obligation and to release the lien associated therewith; and
 - (3) To refund to each property owner electing to prepay their assessment any excess over the actual cost incurred (once final cost information is available) associated with their proportionate benefit.
- E. FUNDING
1. Initial funds to prepare construction plans of Local Improvement, the Initial Assessment Resolution and Assessment Roll will be advanced by the City. If an Assessment Area is thereafter created and an Assessment imposed, any funds advanced or borrowed by the City may be reimbursed, with interest from proceeds of the Assessments or the obligations issued to finance construction of the Local Improvement.

:5 FORMS:

None.

:6 COMMITTEE RESPONSIBILITIES:

As herein stated.

:7 REFERENCE:

This procedure adopted by City Council May 17, 2004, New Business #1; amended December 13, 2004, Item A8.

:8 EFFECTIVE DATE:

This procedure effective December 13, 2004.